royalty is being paid by the oil companies. It is only fixed by the Central Government. Therefore, I would like to know whether the Union Government will fix the royalty now so that Gujarat is not starved of the financial support that it deserves.

MR. CHAIRMAN: Have they got offshore oil in Gujarat?

SHRI RAOOF VALIULLAH: Yes, on shore.

SHRI BRAHM DUTT: He is talking of on-shore, because he cannot claim offshore here.*(Interruptions)*

MR. CHAIRMAN: Mr. Minister, if you like, you may reply. But you are not compelled to.

SHRI BRAHM DUTT: The whole questions of revision of royalty will be decided very soon and we will pay the arrears also if it is enhanced. The question of arrears will arise only if the royalty is enhanced. But the Union Government is not taking shelter under the pretext that royalty is to be paid by the oil companies. It is we who have to decide the royalty. Very soon it will be decided.

Welcome to Parliamentary Delegation from Spain

MR. CHAIRMAN: Honourable Members, I have an announcement to make.

We have with us this morning, seated in the Special Box, members of a Parliamentary Delegation from Spain which is currently on a visit to our country under the distinguished leadership of His Excellency Mr. Felix Pons Irazazabal, President of the Congress of Deputies of Spain. The other members of the delegation are;

1. Mr. Eduardo Martin Toval 2 Mr. Jose Ramon Caso
3. Mr. Inaki Anasagasti
4. Mr. Carlos Ruiz De Soto On behalf of the members of the House and on my own behalf, I take pleasure in extending a very hearty, welcome to the Leader and other members of the delegation and wish our distinguished guests a very enjoyable and fruitful stay in our country. We hope that during their stay here they would be able to see and learn more about our parliamentary system, our country and our people and their visit to this country will further strengthen the friendly bonds that exist between us. Through them we convey our greetings and best wishes to the members of Cortes and the friendly people of Spain.

ORAL ANSWERS TO QUESTIONS— Contd.

Sale of Imported Drugs by IDPL

*63. SHRI P. N. SUKUL:t
DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Chavda Committee which was set up by his Ministry recommended that imports for sale should not be resorted to through public sector undertakings engaged in the production of drugs;

(b) what were the other recommendations of the Committee; and

(c) on what basis the IDPL continues to sell imported drugs and appropriating the difference between the sale price and import price in violation of Government decisions in the matter?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) No, Sir. There was no such recommendation specifically for public Sector.

(b) In brief the recommendations made by the Sub-Committee are as under:—

(i) Sale of canalised bulk drugs

The question was actually asked on the floor of the House by Shri P.N. Sukul.

should be exempted from Central Sales Tax;

(ii) Similarly, all State Governments should be required to exempt all such sales from the States Sales Tax;

(iii) The CCI&E's formula for fixing prices of canalised bulk drugs should be reviewed immediately on the basis of actual expenditure incurred by the canalising / distributing agency, with a view to reducing such costs and pass the resultant benefit to the consumer.

The Sub-Committee also made several other recommendations regarding prices of canalisation of bulk drugs. The recommendations of the Committee were, however, informal and advisory in nature.

(c) The Sale of imported drugs by IDPL is in accordance with the relevant provisions.

SHRI P. N. SUKUL: Mr. Chairman, Sir, in the question we had asked about the recommendations of the Chavda Committee set up by the Ministry. But in the answer the recommendations of some sub-committee have been referred to. To my knowledge the recommendations referred to in the statement are not exactly the same as those of the Chavda Committee. The reason for this discrepancy is not quite clear and the honourable Minister may like to explain the position in this regard. However, as regards Penicillin V, we do not produce it in the country. We manufacture only Penicillin G. To protect the manufacturers of Penicillin G the Government has been tightly regulating the import of Penicillin V and has rejected quite a few applications for the same in the past. In this connection I would like to ask the honourable Minister which companies are allowed to import Penicillin V in the country, for what purposes, and on what terms and conditions.

SHRI J. VENGAL RAO: Here the question is about the recommendations of the committee. The committee was appointed on 2-1-78, as the sub-committee of copsultative committee. The committee submitted its report on 24-4-78. Now we are in,'89. Now, the position as existed in 1978 was quite different from what it is today. Certain drugs were canalised through the Chemicals and Petro-Chemicals Corporation of India and distributed through IDPL. In the case of distribution through the IDPL the decision was taken bv the Cabinet in '70.

श्री जसवंत सिंह: सभापति जी, कुछ समझ में नहीं आया।

श्री वी० सत्यनारायण रेड्डी: सर, यह जवाब क्या है, समझ में नहीं आया।

MR. CHAIRMAN: Will you kindly read your reply again?

SHRI J. VENGAL RAO: Sir, the Committee was appointed on 2-1-1978. It submitted its report on 25-4-1978. Now we are in 1989, not in 1978. The position is different now. In those days, the Cabinet allowed the IDPL to sell drugs. Now we are manufacturing so many drugs. That Committee's recommendations are outdated. They are not mandatory on the Government.

SHRI JAGESH DESAI: Yes, they are outdated.

SHRI P. N. SUKUL: Sir, the Minister has not replied to the later part of my question where I had asked as to which companies are now allowed to import Pencillin-V in the country, for what purpose and on what conditions. That has not been replied to.

SHRI J. VENGAL RAO: Sir, here in the main question, he did not mention about pencillin. It was about the recommendations of the Committee only.

SHRI P. N. SUKUL: Sir, the applications of M / s. Jagsonpal Pharmaceuticals Ltd., M / s. Pharmachem, the Hindustan

Antibiotics and the Alembic Chemicals for import of Pencillin-V were earlier rejected by the Supplementary Licensing Committee under the Commerce Ministry but were later recommended for reconsideration by the Department of Chemicals and Petro-chemicals. In this connection, I would like to know from the hon. Minister whether these applications have since been cleared by the Supplementary Licensing Committee and if so, since when and on what terms and conditions.

SHRI J. VENGAL RAO: Sir, I request you to kindly go through the question. This question is not about pencillin.

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SHRI P. N. SUKUL: It is directly con cerned. That supplementary vises'out of this matter.

SHRI J. VENGAL RAO**:** No, no.

SHRI B. SATYANARAYAN REDDY: Sir, the question asked by Mr. Sukul was very clear. Sir, I will read part (c) of the question: On what basis the IDPL continues to sell imported drugs and appropriating the difference between the sale price and import price in violation of Government decisions in the matter? The Minister has not given any (jlear reply to this question. On the other hand, he wants that the Chair should read the question. I would like to know from the Minister whether he could kindly tell us as to what is the policy of the Government in this regard so far as this importing of drugs, etc. is concerned. Kindly tell us what exactly is part (c) of the main question.

SHRI P. N. SUKUL: Sir, my second supplementary has not been replied to.

SHRI J. VENGAL RAO: Let me answer, Sir.

MR. CHAIRMAN: The question is very simple. So far as part (c) is concerned it says: On what basis the IDPL continues to sell imported drugs and appropriating the difference between the sale price and import price in violation of Government decisions in the matter. Is this true?

SHRI JAGESH DESAI: Sir, he has replied correctly...

SHRI J. VENGAL RAO: I answered . already. I am answering again...*(Interruptions)*

MR. CHAIRMAN: Answer about pencillin.

SHRI J. VENGAL RAO: Sir, pencillin is not here. He did not mention about pencillin here. Sir, you go through the question...

MR. CHAIRMAN: So, what are you saying?

SHRI J. VENGAL RAO: Sir, this question is about the Chavda Committee recoirunendSuuSS. I icpftsd that the Committee was appointed on 2-1-1978... *(Interruptions)*

SHRIMATI RENUKA CHOWDHURY: Sir, this is unfair.

SHRI KAMAL MORARKA: Sir, please save us.

SHRIMATI RENUKA CHOWDHURY: Sir, you save him also. सर, आप

उनको भी बचाइए और हमें भी उनसे बचाइए I We in

tne opposition win pass a unanimous resolution that we will not ask any sup-

ठाकुर जगतपाल सिंह: महोदय, माननीय सदस्य ने पेनेसिलिन के बारे में पूछा है, पेनेसिलिन प्रोडक्ट के बारे में नहीं पूछा है। (व्यवधान)

plementary since he does not have the capacity to answer. *(Interruptions)*

SHRI P. N. SUKUL: Mr. Chairman, Sir, what happened to my second supplementary? Should I **ask** it again? -

MR. CHAIRMAN: Mr. Sukul's second supplementary.

SHRI P. N. SUKUL: Mr. Chairman, Sir, a very simple question I will put to the Minister. I want to know how much unintended orofits have accrued to IDPL and Hindustan Antibiotics through the

import of pencillin-V; unintended profits to IDPL and Hindustan Antibiotics through the import of pencillin-V?

SHRI J. VENGAL RAO: The question is different.

MR. CHAIRMAN: He is asking you about a specific drug. Is pencillin-V included amongst the drugs imported?

SHRI J. VENGAL RAO: No, sir. So many drugs at that time were imported by IDPL in...

MR. CHAIRMAN: Are you importing pencillin-V now?

SHRI J. VENGAL RAO: Yes, yes.

MR. CHAIRMAN: What are you doing with the difference in price?

SHRI J. VENGAL RAO: Sir, the question is about Chavda Committee. I have answered the question. If he wants to know anything else, let him put a separate question.

SHRI P. N. SUKUL: Mr. Chairman, Sir, unfortuViately the Minister is nor **giving** the correct answer. He has already written to one Hon. Member on this question that Rs. 80 lakhs haVe accrued as profits to IDPL. Has he not written the letter?

SHRI JAGESH DESAI: What is wrong in that?

SHRI P. N. SUKUL: Then, why is he not answering it in the House?

SHRI N. K. P. SALVE: Sir, is it your ruling that question in clause (c) is confined only to pencillin and not all the drugs? Is that your ruling?

MR. CHAIRMAN: No, no. It is for all the drugs.

SHRI N. K. P. SALVE: Sir, if he does not have ready information, the only way out is that he will perhaps write to us and let us know, but to unduly abridge the scope of the question is not fair. You will kindly protect the interests of the Members.

SHRI B. SATYANARAYAN REDDY: Sir, the Minister may be asked to give answer to the question.

MR. CHAIRMAN: According to him the IDPL and Hindustan Antibiotics are not importing pencillin-V.

SHRI B. SATYANARAYAN REDDY: Answer Part (c) of the question, kindly answer part (c) of the question.

SHRI N. K. P. SALVE: Sir, will you kindly explain to him the scope in the Part (c) of the question? And if he does not have material, it does not matter, he can answer later, but the scope of the question must not be abridged.

श्री सभापतिः बड़ा सीधा सवाल है कि क्या जो फर्क है, वह फायदा आइ०डी०पी०एल० अपने पास रख रहा है?

SHRI J. VENGAL RAO: I want a seprate notice for this question. If does not arise out of it. *(Interruptions)'*

SHRI KAMAL MORARKA: Sir, he must answer now.

AN HON. MEMBER: If he does not have the answer right now, he should send it to the Member. *(Interruptions)*

MR. CHAIRMAN: Answer to Part (c) you will kindly find out and let us know later.

SHRI N. K. P. SALVE: Let him say that. Sir, let him say that and we will be satisfied that he does not have the information with him now.

SHRI YASHWANT SlNHA: We will not be satisfied.

SHRI N. K. P. SALVE: Sir, if he does not have ready information, where will he go?

SHRI J. VENGAL RAO: In 1977 and 1978.. .*(Interruptions)*

MR. CHAIRMAN: Will- you keep quiet?

SHRI M.S. GURUPADASWAMY: I demand a thorough enquiry into the

working of the IDPL *itself...(Interruptions)*

SHRI JASWANT SINGH: Sir, you have directed from the Chair that part (c) of the question be answered by the Minister. The hon. Minister, during many mumbled interventions, said that he needs notice for a question that has already been tabled! Sir, this is irregular on two counts: Firstly, because it contravenes a ruling- from the Chair, and secondly because for a tabled question —part (c) thereof — the hon. Minister requires no notice. Therefore, I beg of you that a ruling from the Chair having been pronounced, the Minister must now answer, at this moment, during this Question Hour, not after due notice again. I request you to please direct the Minister to answer part (c) of the question.

MR. CHAIRMAN: Kindly understand Minister's point of view also. Because a person is likely to be led by part (a) of the question, part (c) is also connected with part (a), and that is justified. You will agree with him and so now I have said that he will supply the information.

SHRI JASWANT SINGH: The question is there already. With due respect to" you and for this ruling from the Chair, the whole purpose of the Question Hour is defeated if everytime Ministers would get up and say that for a question which is already listed, they need further notice. For part (c) of the question, the Ministry and the Minister have already got ten day's notice. He must answer it now.

DR. (SHRIMATI) SAROJINI MAHISHI: The Minister had answered on 21st of November, 1988 that IDPL had imported five or more than five drugs, and the five drugs he mentioned are tetracycline, vitamin B-l, vitamin B-l mono, vitamin B-2 and also hydro-exalmin. By importing these drugs, they have made a profit of Rs. 87 lakhs. That alsp has been there. And in the month of August, 1987, the Minister says, proceedings have been started to recover the profit that has been made by the IDPL, but in November, 1988, he said that proceedings have been stopped. Under the circumstances — of course, I am strengthening the question asked by my friends here — proceedings that were started to recover profits made by IDPL — IDPL is not meant for making profits, even though they imported certain drugs — were stopped. I want the Minster to answer this point.

SHRI J. VENGAL RAO: IDPL, a public sector undertaking, has taken precautions to sell the imported material at prices fixed uder DPCO only...*(Interruptions)*

SHRI JASWANT SINGH: How can the Minster say that?

SHRI B. SATYANARAYAN REDDY: We are unable to understand the answer. What is the question and what is the answer? Minister nujst give a proper answer... *(Interruptions)*

SHRI JAGESH DESAI: I would like to know from the Minister whether Government will continue to allow IDPL to import these bulk drugs so that other private importers cannot get the benefit and the benefit goes to IDPL..

SHRI B. SATYANARAYAN REDDY: To avoid multinationals.

SHRI J. VENGAL RAO: We address public sector undertakings, not the private people.

MR. CHAIRMAN: Mr. Reddy, you may ask.

SHRI B. SATYANARAYAN REDDY: What is the need for my question? You will say the Question Hour is over. Anyhow, I put my question. I would like to know from the Minster, he should go through the question; we have already read it so many times. We want specific answer. Kindly direct the Minster to give answer to my simple question.